GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:5867
ANSWERED ON:03.05.2000
SUPPORT PRICE OF AGRICULTURE PRODUCTS
RAJO SINGH

Will the Minister of AGRICULTURE be pleased to state:

(a) the procedure and norms followed for fixing the support price of agricultural products like wheat and paddy at present;

(b) whether the cost of labour involved in the agriculture work is also taken into account while fixing the support price;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE

(SHRI SBPBK SATYANARAYANA RAO)

(a) The government decides on the support price for various agricultural commodities like wheat and paddy after taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of the State Governments and Central Ministries as well as such other relevant factors, which in the opinion of the government are important for fixation of support prices. While formulating its recommendations on price policy, the CACP considers several important factors viz., cost of production; changes in input prices; input/output price parity; trends in market prices; demand and supply situation; inter-crop price parity; effect on industrial cost structure; effect on general price level; effect on cost of living; international market price situation and parity between price paid and prices received by farmers (terms of trade).

(b) to (d) Yes Sir. The cost of cultivation/production includes expenses incurred on account of hired human labour as well as imputed value of family labour. The evaluation of labour is done at Statutory Minimum Wage Rate or actual wage rate whichever is higher.